

Comparison of Former and Revised Statute as Signed by Governor

Former Statute	Revised Statute as Signed by Governor
Contributions <ul style="list-style-type: none"> Retired SCRS or PORS member (including TERI participants) does not pay active employee contribution Current SCRS employer contribution is 7.55% SCRS employee contribution is 6% Benefits <ul style="list-style-type: none"> TERI participant's AFC is calculated at retirement (onset of TERI period) and is not recalculated at end of TERI period Requires 60-day break-in-service for SCRS retirees who return to covered employment (\$50K/year earnings limitation applies) COLA granted only if actuary determines system can afford and B&CB approves Medical Board reviews SCDVR disability recommendations Retired members do not contribute and are eligible for Group Life Insurance benefit of \$2,000, \$4,000, or \$6,000 Investments <ul style="list-style-type: none"> No similar provision Equity investment cap is 40% No similar provision State Retirement Systems Investment Panel advises B&CB on equity investment portion of portfolio; State Treasurer manages fixed income investments No similar provision Human Resource Issues <ul style="list-style-type: none"> State TERI participants working for covered employer have grievance rights No similar provision State TERI participant gets annual leave payout at retirement and at end of TERI period No similar provision 	Contributions <ul style="list-style-type: none"> Retired SCRS or PORS member (including TERI participants) working for a covered employer pays active employee contribution Increases SCRS employer contribution by 1% over 2 years: 7/1/06 = 8.05%, 7/1/07 = 8.55% Increases SCRS employee contribution by .5% over 2 years: 7/1/05 = 6.25%, 7/1/06 = 6.5% Benefits <ul style="list-style-type: none"> Requires AFC recalculation at end of TERI period to include unused leave paid at termination (new TERI participants after 6/30/05) Removes service earnings limitation for SCRS retirees with 15-day break-in-service Guarantees up to 1% COLA contingent upon CPI of at least 1% for SCRS and allows B&CB to grant a COLA in excess of 1% if UAAL amortization period does not exceed 30 years Eliminates Medical Board Retired contributing members of SCRS and PORS eligible for one-year salary Group Life Insurance benefit in lieu of retiree \$2,000, \$4,000 or \$6,000 Investments <ul style="list-style-type: none"> Sets up six-member investment commission made up of financial experts, the State Treasurer and a nonvoting retired member, and moves fiduciary responsibility for investments to Commission Sets investment target allocation: Equity investments cannot exceed 70% of portfolio Creates the position of Chief Investment Officer with defined authority and annual investment plan adoption Retains Investment Panel in advisory role to CIO regarding Annual Investment Plan Commission shall strive to assure that minorities and minority-owned business are represented Human Resource Issues <ul style="list-style-type: none"> State employees who become TERI participants after June 6, 2005, will be exempt from the State Employee Grievance Act Any retired employee who works for a state agency on or after 7/1/05 will be exempt from the State Employee Grievance Act Eliminates unused annual leave payout for state TERI participant at retirement (new TERI participants after 6/30/05) Eliminates second unused annual leave payout for rehired state retirees rehired on or after 7/1/05

NOTE: Both the Senate Finance Committee and the House Ways and Means Committee have passed separate joint resolutions to allow a referendum to amend the constitution to allow international investments.